<u>REMARKS</u>

Reconsideration of this application is respectfully requested in view of the foregoing amendment and the following remarks.

By the foregoing amendment, corrected drawing sheet 5 has been submitted, the specification has been amended, and claims 1-3 have been amended. Claims 1-4 are currently pending in the application and subject to examination.

In the Office Action mailed May 14, 2004, the Examiner objected to Figs. 6 and 7. The Examiner further objected to the specification and objected to claim 2. In addition, the Examiner rejected claims 1 and 3 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,590,288 to Castor et al. in view of U.S. Patent No. 6,272,529 to Lum (Lum). Claims 2 and 4 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Moderi in view of Lum, and further in view of U.S. Patent No. 5,510,979 to Moderi et al. (Moderi[2]).

Applicants note that, while U.S. Patent No. 5,590,288 was granted to Castor et al., the Office Action refers to this patent as Moderi. To avoid confusion, Applicants will herein refer to U.S. Patent No. 5,590,288 by number.

Responsive to the objection to Figs. 6 and 7, the Applicants hereby submit corrected drawing sheet 5. This corrected drawing sheet includes corrected Figs. 6 and 7, which are now expressly designated as "Prior Art" at the suggestion of the Examiner. The Applicant submits that corrected drawing sheet 5 overcomes the rejection to the drawings, and a withdrawal of this rejection is therefore respectfully requested.

Responsive to the objection to the specification, the specification has been amended to provide the full term "Point of Sale" before the abbreviation POS is used.

Similarly, regarding the objection to claim 2, claim 2 has been amended to provide the full term "Point of Sale" before the abbreviation POS is used. The Applicant submits that the amendments overcome the objection to the specification and the objection to claim 2, and withdrawal of these objections is therefore respectfully requested.

Regarding the rejection of claim 1, U.S. Patent No. 5,590,288 teaches a distributed data processing system. The system includes a polling routine and layered software, which call predetermined application procedures in response to input from peripherals and the network. The distributed data processing system of U.S. Patent No. 5,590,288 includes a first and second computer electronically connected by a network. When the first computer is initialized, the operating system, application program and data are retrieved from the second computer's secondary storage, thereby enabling the first computer to be operated without a disk drive.

Claim 1 has been amended to change "processing" to "data processing." Claim

1 now recites the limitation "wherein at least one of said clients is operable in
standalone fashion and has server functionality so that it executes data processing in
response to requests issued by other clients and outputs the results of the data
processing to said clients that issued such requests."

The Applicant submits that U.S. Patent No. 5,590,288 fails to disclose such features of the present invention as claimed in claim 1. More particularly, the distributed data processing system of U.S. Patent No. 5,590,288 includes first and second computers electronically connected by a network, and when the first computer is initialized, the operating system, application program and data are retrieved from the second computer's secondary storage, thereby enabling the first computer to be

operated without a disk drive. U.S. Patent No. 5,590,288 does not disclose or suggest all of the features of the present invention, e.g. "at least one of said clients is operable in standalone fashion and has server functionality so that it executes data processing in response to requests issued by other clients and outputs the results of the data processing to said clients that issued such requests", as claimed in claim 1.

Neither U.S. Patent No. 5,590,288 nor any of the other cited art either alone or in combination discloses or suggests at least the above feature of the present invention as claimed in claim 1. Accordingly, the Applicant submits that claim 1 of the present invention is patentable over the art of record, and Applicants respectfully request withdrawal of the rejection of claim 1.

Regarding the rejection of claim 2, this claim is dependent on claim 1 and is patentable for at least the reasons discussed above with reference to claim 1. Accordingly, Applicants respectfully request withdrawal of the rejection of claim 2.

Regarding the rejection of claim 3, claim 3 has been amended to change the term "processing" to "data processing". Amended claim 3 is patentable for similar reasons to those discussed above with reference to amended claim 1. Accordingly, Applicants respectfully request withdrawal of the rejection of claim 3.

Regarding the rejection of claim 4, this claim is dependent on claim 3 and is patentable for at least the reasons discussed above with reference to claim 3. Accordingly, Applicants respectfully request withdrawal of the rejection of claim 4.

For all of the above reasons, it is respectfully submitted that the claims now pending patentability distinguish the present invention from the cited references.

Accordingly, reconsideration and withdrawal of the outstanding rejections and an

issuance of a Notice of Allowance are earnestly solicited.

Should the Examiner determine that any further action is necessary to place

this application into better form, the Examiner is encouraged to telephone the

undersigned representative at the number listed below.

In the event this paper is not considered to be timely filed, the Applicants

hereby petition for an appropriate extension of time. The Commissioner is hereby

authorized to charge any fee deficiency or credit any overpayment associated with

this communication to Deposit Account No. 01-2300.

Respectfully submitted,

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Enclosure: Figures 6 and 7

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